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Conditioning Russia's Graduation from Jackson-Vanik

A Congressional Message for President Putin

Introduction

On February 24, President Bush and Russian President Vladimir Putin will meet in Slovakia to hold bilateral discussions. The two presidents have forged a strong bond based on mutual interest in winning the war on terrorism, despite Putin's heavy-handed approach to limit democratic freedoms within Russia and his meddling in the internal affairs of former Soviet Union countries such as Ukraine, Georgia, Moldova, Armenia, and Azerbaijan.

High on this year's bilateral agenda is the removal of U.S. trade restrictions on Russia. Since 2001, President Bush has annually notified Congress that he supports the "graduation" of Russia from Jackson-Vanik, a 30-year-old trade provision that required the then Soviet Union's (and now Russia's) compliance with specific free-emigration criteria as a key condition for nondiscriminatory economic relations (such as permanent normal trade relations) with the United States.¹ This removal of the Jackson-Vanik provision is a necessary step for Russia to join the World Trade Organization — a goal that President Putin has sought.

The issue of Russia's graduation from Jackson-Vanik is also high on the agenda of numerous congressional committees. It appears a growing number of congressional Democrats and Republicans are less inclined to graduate Russia from this trade provision because of a decline in personal freedoms for Russian citizens. Many view Jackson-Vanik as a device to exert some modicum of real political pressure on Moscow to adopt demonstrable political, economic, and legal reforms. Such a view of Jackson-Vanik was applied during the 1990s toward the nations of Central and Eastern Europe, almost all of which are now members of NATO, the European Union (EU), or both. Some other Members, however, apply a purist interpretation of Jackson-Vanik, and argue that its application to Russia is no longer necessary because the issue of less-restrictive Soviet Jewry emigration, which was the legislation's original intent, is now irrelevant. Yet some of those who apply a purist view of Jackson-Vanik still express great concern about Russia's anti-democratic decline.²

¹ Congressional Research Service, "The Jackson-Vanik Amendment: A Survey," August 22, 2002.

² Representative Chris Cox (R-CA), "Does Putin's Russia Belong in the G-8?" *Wall Street Journal*, June 8, 2004.

Arguably, if Congress is to entertain the graduation of Russia from Jackson-Vanik, President Putin must make the most convincing case possible that his government is committed to the implementation of democracy and the rule of law. To date, many in Congress have remained skeptical of — if not outrightly concerned about — Russia’s democratic path. During the 108th Congress, nearly a dozen resolutions were introduced in Congress expressing concerns about the state of democracy in Russia. To address their concerns, Members secured hundreds of millions of dollars in the FY04 and FY05 foreign assistance bills to be used to support democracy and rule of law programs in Russia. Despite their efforts, the prognosis appears that foreign aid, by itself, is not enough to change the anti-democratic dynamic presently occurring in Russia.

Conditioning Jackson-Vanik

In order to be graduated from Jackson-Vanik, Moscow must take the following steps:

- **Respect democratic principles, human rights, and the rule of law throughout Russia.** In recent years, the U.S. State Department, the EU, leading nongovernmental organizations, and the media have found significant backsliding with regard to Russia’s efforts to implement and sustain democratic reforms and the rule of law. In fact, this year, U.S.-based Freedom House downgraded Russia from “partly free” to “not free” — the only downward move of any country — in its annual survey.³ Significant in Freedom House’s findings were the lack of any major independent media throughout Russia, as well as Putin’s actions to appoint regional governors (as opposed to the previous policy of allowing the Russian people to choose their elected officials). The latest State Department annual human rights report found Russia to be severely lacking in its implementation of the rule of the law.⁴ Moreover, Putin’s persecution of major business tycoons, including Mikhail Khodorkovsky of Yukos, while empowering former KGB and Federal Security Service (FSB) colleagues known for conducting corrupt business practices, has resulted in massive capital flight from Russia.⁵
- **Allow the peoples of the former Soviet Union nations to freely choose their own destiny.** As witnessed most dramatically in the recent electoral events in Ukraine, Moscow continues to play a meddlesome role in the internal politics of its neighboring states, a role which undermines these sovereign nations’ legitimate governing processes. Moscow has also supported, if not outright planted, pro-Russian leaders, supplied arms to Russian-backed troops, and intervened in the political processes in the separatist republics of South Ossetia and Abkhazia in Georgia, Nagorno-Karabakh in Azerbaijan, and Transdniestria in Moldova. These actions have inhibited the peoples of these countries from exercising their free will to determine their own elected and representative leaders.

During the 1990s, Russia opposed U.S. and European entreaties to the occupied nations of the former Soviet Union. Yet, today, Poland, the Czech Republic, Hungary, Romania, Slovakia, and the Baltic states are free and are members (or will be members soon) of

³ Freedom House, “Russia Downgraded to ‘Not Free,’” December 20, 2004.

⁴ U.S. Department of State, “Country Reports on Human Rights Practices, 2003,” February 2004.

⁵ World Markets Research Center, “World Markets Analysis,” November 22, 2004.

NATO and the EU. Ukraine, Moldova, and the Caucasus nations all are seeking membership in the same institutions. Russia, to say the least, has not been supportive.

- **Honor its international obligations regarding European security matters.** Since the end of the Cold War, Russia has maintained an illegal and largely unwanted troop presence throughout the Caucasus and in Ukraine and Moldova. The presence of these troops has played a destabilizing role in these countries, has largely affected political and economic reforms throughout the region, has served as a vehicle for massive illicit trafficking, and has allowed Moscow to have influence in shaping policies with each country. In 1999, in Istanbul, Russia committed to withdraw its troops from these occupied areas. To date, Russia has not done so. In fact, in exchange for its withdrawal, Moscow has requested from Georgia and Moldova that they denounce their sovereign right to host “third” countries’ forces and military infrastructure. Such a demand fully ignores one of the basic principles of international law by depriving those countries the sovereign right to choose freely their own security arrangements.

Russia has also not met its obligations to NATO as part of the joint NATO-Russia Council established in May 2002.⁶ By avoiding the implementation of these international commitments, Russia has delayed the implementation of the long-negotiated and adapted Conventional Forces in Europe Treaty, a crucial pan-European security system.

Along with the troop withdrawal, Moscow should also cooperate with its neighbors to forge settlements to separatist conflicts in the same spirit of commitment to states’ territorial integrity as motivates Russia’s own goals in the north Caucasus. Georgia’s peace plan for South Ossetia provides the best hope in over a decade to resolve that conflict through the path of peaceful negotiations.

Congress should also make clear that the failure of President Putin to follow this detailed course of action — and provide demonstrable results certified by the State Department or the Organization for Security and Cooperate in Europe (OSCE) — could result in Russia’s inability to further integrate into Western economic and political institutions, and may also jeopardize Russia’s current membership in existing institutions. To make such a statement would not be unprecedented. In fact, Senator John McCain (R-AZ), along with a growing and bipartisan cadre of Members, are so concerned about Moscow’s anti-democratic behavior that they have introduced legislation to encourage the Bush Administration to remove Russia from the Group of Eight (G-8), unless Moscow takes certifiable steps toward democracy and rule of law implementation. Specifically, the resolution states that the President and the Secretary of State should work with the other members of the Group of 7 nations to “take all necessary steps to suspend the participation of the Russian Federation in the Group of 8 nations until the President, after consultation with the other members of the Group of 7 nations, determines and reports to Congress that the Russian Government is committed to respecting and upholding democratic principles.”⁷

⁶ Jamestown Foundation, “Russia at the NATO Summit: Cooperative Rhetoric, Zero-Sum Practice,” July 1, 2004.

⁷ See S. Con. Res. 85, introduced by Senator John McCain (R-AZ) on November 21, 2003 (similar language will be introduced on February 17, 2005), which expressed that the continued participation of Russia in the G-8 should be conditioned on the Russian Government voluntarily accepting and adhering to the standards of democracy.

Conclusion

In his second inaugural address, President Bush said the following:

“We will encourage reform in other governments by making clear that success in our relations will require the decent treatment of their own people. America’s belief in human dignity will guide our policies, yet rights must be more than the grudging concessions of dictators; they are secured by free dissent and the participation of the governed.”⁸

Such a statement applies directly to Russia. The reward of membership in international financial and political institutions should be granted to those governments that pursue responsible policies at home and abroad. At present, Putin’s Russia does not meet these standards. It should be the policy of the United States to ensure that Russia’s leaders know that the mistreatment of both their citizens and their neighbors will neither be tolerated nor rewarded.

⁸ Remarks by President George W. Bush during second inaugural address on January 20, 2005.